

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
January 6, 2005

DRAFT The minutes are not final until approved at the March 18, 2005 Board meeting. The meeting was shortened from two days to one day due to weather conditions. There was no meeting on Wednesday, January 5, 2005 as scheduled.

Thursday, January 6, 2005

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (NBPA) was called to order at 9:15 a.m. on Thursday, January 6, 2005 with Chair Dean Graf, CPA presiding. The roll was called with the following members present: Dean Graf, William Nuckolls, Jim Titus, Richard Zacharia, Doug Skiles, Anne Fuhrman and Tom Obrist. Member Kate King Wu was absent. Also present were Executive Director Dan Sweetwood, Staff Kelly Ebert, Jo Lowe, and Intern Jess Paisley. Pat Hartman, Director, NASBA National Candidate Database & CPAES Examination Operations, was also present. Chair Graf welcomed new Board member Tom Obrist. The meeting was held at the Board Office at 140 N. 8th Street, Suite 290, Lincoln, Nebraska.
- B. Approval of Meeting Agenda for January 6, 2005.** Moved by Zacharia, seconded by Skiles, to approve the revised agenda for the January 6, 2005 meeting. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #1 carried.
- C. Approval of Minutes from November 5-6, 2004.** Moved by Zacharia, seconded by Skiles to approve the minutes from November 5-6, 2004. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #2 carried.

2. Public Comment Period (15 minute period)

No members of the public were present.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Zacharia, seconded by Obrist, to approve the consent agenda. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #3 carried.
- B. Approval of Disbursements.** Board Secretary Nuckolls noted that disbursement reports were very thoroughly prepared for his review by staff member Kelly Ebert. Disbursements for September, October and November 2004 were provided.
- C. Review of Board Budget Status Report.** The Budget Status Report was provided.
- D. Office Management Report.** The Office Management Report was provided.

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4. Report of the Chair

- A. Report of the Chair.** Chair Dean Graf gave the report.
- B. Set Board Fees for 2005.** Moved by Nuckolls, seconded by Titus, to approve the 2005 fee schedule with no increases as recommended by the Executive Committee. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #4 carried.
- C. Board Calendar.** Board meeting dates for the second half of 2005 were scheduled: July 19-20, September 19-20, November 16-17. Board members agreed that the Executive Director and Board Chair consult together to determine the length of the future Board meetings based on the proposed agenda, with one day meetings preferred if possible.
- D. Attendance at NASBA Conference.** Executive Director Sweetwood reported that NASBA will provide a scholarship for Board Member Zacharia and that he has requested a NASBA scholarship for the NBPA legal representative to attend the NASBA Legal Conference. Moved by Nuckolls, seconded by Fuhrman, to allow Executive Director Sweetwood and Administrator Lowe to attend the Executive Directors/ Staff NASBA Conference, and to allow Board Member Zacharia, a member of the NASBA CPE Committee, to attend the NASBA CPE Conference March 20-23, 2005 in New Orleans, LA. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #5 carried. Moved by Skiles, seconded by Zacharia, to send one representative to the NASBA Legal Conference including Board Member Titus, or Assistant Attorney General Lynn Melson, or Board Attorney Robert Gruit, to be held March 20-23, 2005 in New Orleans, LA. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #6 carried.
- E. Report on To Do List.** There was no report at this time.
- F. Other Miscellaneous Items.** There were no miscellaneous items at this time.

CLOSED MEETING

Closed Meeting. Moved by Titus, seconded by Fuhrman, that the Board go into closed session at 10:02 a.m., for the purposes of enforcement, litigation and personnel. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #7 carried. Chair Graf recused himself from part of the discussion.

Return to Open Meeting. Moved by Zacharia, seconded by Titus, that the Board return to open session at 10:29 a.m. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #8 carried.

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5. Report of Enforcement of Professional Conduct Committee

- A. Rodney Zwygart Appeal Update.** Executive Director Sweetwood updated the Board that the case was to be heard by the Nebraska Supreme Court.
- B. Troshynski Appeal Update.** Executive Director Sweetwood updated the Board that the case was to be heard by the Nebraska Supreme Court.
- C. Open Case/LMCO Update.** In the interest of time, this agenda item was tabled to the March Board meeting.
- D. Glenda Harders Hearing.** Glenda Harders consented to the violation of Title 288 Rules Chapter 5 004.01 Competence. Moved by Titus, seconded by Zacharia, to approve the Stipulation and Consent Order signed by Harders, which, in part follows: Wherefore, it is therefore, ordered adjudged, and decreed as follows: Harders may retain her Nebraska CPA certificate and her active permit to practice as long as she remains in compliance with all of the Nebraska Public Accountancy Act (PAA) and Rules and Regulations of the Board and as long as she complies with the following terms and conditions of probation:
 - a. Harders shall be placed on probation commencing the effective date of this Stipulation and Consent Order through June 30, 2007.
 - b. Harders shall comply in all respects with all of the Nebraska Public Accountancy Act (PAA) and Rules and Regulations of the Board.
 - c. Harders shall timely respond to all inquiries from the Board or the Board's representatives and shall timely file all requested documents with the Board.
 - d. Harders may retain her permit to practice as long as she remains in compliance with the terms and conditions of this probation and the Nebraska Public Accountancy Act (PAA) and Rules and Regulations of the Board. In the event Harders violates the terms and conditions of the probation or in the event other complaints are made to the Board or come to the attention of the Board, the Board shall be entitled to pursue other such remedies as Nebraska law and the Board's Rules and Regulations allow. The Board shall have the right in such event to take further action against Harders as the Board in its discretion deems appropriate.Harders agrees that if she does not comply in all aspects with this Consent Order or in the event of other complaints as set forth above, the Board is entitled to pursue all remedies as permitted by Nebraska law and the Board's Rules and Regulations, as the Board in its discretion deems appropriate.

On a roll call vote, Members Graf, Fuhrman, Nuckolls, Skiles, Titus, and Zacharia voted aye. Member Obrist abstained. Member Kate King Wu was absent. Motion #9 carried.

- E. Recommend Closure of Complaints.** The agenda item was tabled to the March Board meeting.
- F. Report on To Do List.** There was no report at this time.
- G. Other Miscellaneous Items.** There were no miscellaneous items at this time.

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6. Report of Continuing Professional Education Committee

- A. Report of the Committee.** Committee Chair Nuckolls presented the report. The Committee reviewed 296 CPE courses. Of those, 296 courses, including 4 from 2005, were approved and no courses were denied from October 23 to Dec. 17, 2004. Marjorie Harberg, Megan Wickless, and Sheryl Wanek reinstatements were approved and referred to the Licensing Committee. The Committee has a newly revised handbook.
- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to approve 296 courses submitted from October 23 to December 17, 2004. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #10 carried.
- C. Report on To Do list.** There was no report at this time.
- D. Other Miscellaneous Items.** Moved by Titus, seconded by Nuckolls to exempt Marlowe Olson from 2004 CPE based on his written request and Rules Chapter 8 009.04 Board waiver of CPE for good cause. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #11 carried.

7. Report of Licensing Committee

- A. Ratification of initial permits to practice issued, certificates issued, firm permits, and Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.** Motion out of committee to approve the permits to practice, certificates, firm permits, and Reinstatements to Active Permit, issued since Nov. 1, 2004. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #14 carried.
- B. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.** See above. There were no inactive retired affidavits or surrendered certificates.
- C. Report of the Committee.** Committee Chair Titus gave the report.
 - 1.) Various Letters of Request.** The Committee has received several requests for guidance on firm names. Motion out of Committee to recommend that the Board not allow the fictitious firm name Juris Valuation Advisors, LLC or Valuation Services, unless a connection is established to a licensed CPA. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #12 carried. Moved by Titus, seconded by Fuhrman, that performance of "valuation services" is the practice of public accountancy as defined in Rules Chapter 3 001.17, and is not considered a designation of specialization. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #13 carried.

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- 2.) Mutual Recognition Agreement with Ireland's CPA's.** Motion out of Committee to recommend Board approval of the reciprocity agreement with The Institute of Chartered Accountants in Ireland, as recommended by the International Uniform CPA Qualification Examination (IQEX). This is the same agreement NASBA has negotiated for Canadian, Mexican, and Australian public accountants, and that NBPA has signed. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #15 carried.
- 3.) Reciprocal Certificate Application.** Motion out of Committee to recommend to the Board that James Buss be granted a certificate by reciprocity, based on the Education & Exam Committee recommendation made at their Dec. 3, 2004 meeting. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #16 carried.
- D. Report of To Do List.** There was no report at this time.
- E. Other Miscellaneous Items.** There were no miscellaneous items at this time.

8. Presentation by Pat Hartman, Director, NASBA National Candidate Database & CPAES Examination Operations. Ms. Hartman gave a detailed report of CPA Examination Services history and the programs provided to NBPA. CPAES administers the CPA Exam application process for the Board. She reviewed issues such as foreign transcript evaluation services, the recent delays in reporting exam scores, and the potential for increased exam fees due to fewer than projected applicants taking the exam. Copies of the presentation outline are available upon request.

12. Presentation by Jess Paisley, NBPA Intern: Declining CPA Exam Candidate Numbers. Jess reviewed the CPA exam from the student's perspective. Many students wait until they have some experience at an accounting firm before attempting the exam or are waiting to see if they are interested in pursuing a career in public accountancy. The 150 Hour Rule requires a commitment of further education at a time when students are ready to go to work. Exam fee expense is also a factor for students. Copies of the presentation are available upon request.

9. Recess

There was no recess due to the revised agenda.

10. General

There was no General Call to Order due to the revised agenda.

11. Public Comment Period (15 minute period)

There was no Public Comment Period due to the revised agenda.

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13. Report of Exam & Education Committee

- A. **Report of the Committee.** Committee Chair Skiles gave the report.
- 1.) **Reciprocal Application.** The application of reciprocal candidate James Buss was given a thorough review, with research of course work for substantial equivalency by Chair Skiles. The Committee determined that the applicant had met substantial equivalency according to Title 288 Rules Chapter 9 003.05 and recommended to the Licensing Committee that the application be approved.
- 2.) **EAC Committee meeting.** Chair Skiles reported that the Committee met via telephone conference call on December 1, 2004 and covered highlights of the meeting. He reviewed the response letter from Bellevue University regarding transfer credit hours from a two-year institution. All EAC members agreed that there would be shortage of PhD's to teach accounting courses. The number of national exam candidates was lower than expected resulting in a potential increase in exam fees. NBPA will provide limited exam statistics to all institutions with accounting programs. No changes were made to the current course approval process.
- 3.) **Foreign Transcript Evaluations.** Bridget Candler, Nebraska Coordinator for CPA Examination Services (CPAES), provided a detailed explanation of the foreign transcript evaluation services that evaluate foreign transcripts to sit for the CPA exam. The Committee determined that CPAES should use the foreign evaluation service that best meets the needs of the candidates.
- 4.) **Ability to sit for the exam based on a conviction.** The Committee could find nothing in the PAA or Rules to prevent a candidate from sitting for the exam based on reporting a conviction on the application form.
- B. **Exam Score Ratification.** Moved by Skiles, seconded by Zacharia, to approve the release of CPA Exam scores from the third testing window, with the exception of one score being held by AICPA. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #17 carried.
- C. **Report on To Do List.** There was no report at this time.
- D. **Other Miscellaneous Items.** There were no miscellaneous items at this time.

14. Report of the Legislative Committee

- A. **Report on Proposed Legislative Re-write Status.** There was no report at this time.
- B. **Report on To Do List.** There was no report at this time.
- C. **Other Miscellaneous Items.** Dan Vodvarka, President, Nebraska Society of CPA's (NSCPA) provided an update to NBPA Executive Director Dan Sweetwood regarding the unauthorized practice of law. A bill regarding the unauthorized practice of law will be introduced during this legislative session by Sen. Patrick Bourne. Copies of a letter from John Cederberg, CPA, to the Nebraska Supreme Court with his comments regarding the unauthorized practice of law, were provided to Board members.

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15. Report of QEP Committee Chair

- A. Report of the Committee.** Committee Chair Fuhrman gave the report. Based on the assistant attorney general's opinion, NBPA will not sign the PCAOB agreement at this time. Staff Kelly Ebert reported that the postcards had been sent listing the five most common errors on the QEP reports submitted for review in 2004.
- B. Report on To Do List.** There was no report at this time.
- C. Other Miscellaneous Items.** There were no miscellaneous items at this time.

16. Report of Executive Director

- A. Staffing & General Office Issues.** Executive Director Sweetwood reported that the budget is in line with projections. Meetings are on-going with [Nebraska Online](#) to create the NBPA database and develop on line licensing for the Board. Staff is processing CPE reporting forms and preparing the annual register for printing. The Executive Director also provided a summary of his meeting with Assistant Attorney General Lynn Melson on a variety of issues.
- B. Report on To Do List.** There was no report at this time.
- C. Other Miscellaneous Items.** There were no additional miscellaneous items.

17. New Business

There was no New Business due to the revised agenda.

- A. National Association of State Boards of Accountancy (NASBA) Items:**
 - 1.) Regional Directors Focus Question Response.
- B. Other Miscellaneous Items: FYI articles.** The articles were noted.

18. Adjournment

Moved by Fuhrman, seconded by Nuckolls, to adjourn the meeting at 3:13 p.m. on Thursday, January 6, 2005. On a roll call vote, Members Graf, Fuhrman, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Member Kate King Wu was absent. Motion #18 carried.

Respectfully submitted by,

William Nuckolls
Board Secretary